A Case Study
On The Socio-economic Aspects
of Factory Workers

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SINOPSIS

Tujuan kajian bagi latihan ilmiah ini ialah untuk melihat sejauhmanakah pertumbuhan dan perkembangan perindustrian di Malaysia telah dapat memperbaiki dan meningkatkan keadaan dan kedudukan sosio-ekonomi para pekerja-pekerja kilang di negara ini.Kajian luar untuk latihan ilmiah ini telah dijalankan di dua buah kilang di Kawasan Perindustrian Shah Alam,Selangor.

Di dalam Bab I pengkaji telah menghuraikan dengan ringkas perkembangan perindustrian di Malaysia,tujuan,metode dan masalah yang dihadapi di dalam menjalankan kajian ilmiah ini.Bab II pula membentangkan rangka organasasi dan proses pengeluaran di kedua-dua kilang yang dikaji.Bab III dan Bab IV menerangkan tentang latarbelakang pekerja serta keadaan kerja dan hubungannya dengan sikap pekerja.Bab V pula melihat rangka organasasi dan peranan kesatuan sekerja.Akhir sekali dalam Bab VI,pengkaji telah merumuskan segala penemuan-penemuan kajian ini.

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a fluctuating economy. She needs a steady flow of income to sustain her development programmes. At the same time her population growth had remained at a persistently high rate of more than 3% per annum.[2] Of greater significance is that a large proportion of Malaysia's population are of the younger age group as indicated by Table 1.1.

Table 1.1

Age Distribution of Population

Age Group	Percent of Population	
	1957	1967
0 - 14	43.84	44.2
15 - 19	9.75	10.5
20 - 24	8.30	7.6
25 - 39	18.31	17.4
40 - 64	17.02	16.6
65 and over	2.78	3.7
Total	100.00	100.0

Source: Lo Yee Sim, The Development of west Malaysia, p.20.

[2] Lo Yee Sim, The Development of west Malaysia, p.20.

The relative large percentage of the younger age group is associated with one important implication that is the potential additions to the labour force in the years ahead would be substantial. Consequently, unless sufficient job opportunities are created, the unemployment rate is likely to increase. Such demographic patterns create demographic pressures which could exert a severe strain on the economy. These pressures had necessitated a change in the structure of the economy which till the early 1960's was still predominantly agricultural and tertiary rather than manufacturing which is more productive and has the potential in the long run to provide substantial job opportunities thus helping to alleviate the problem of unemployment.

In its effort to diversify the economy the government has introduced a wide array of policies aimed at developing the manufacturing sector in its effort to diversify the economy.

Early positive industrial development policies were concentrated on efforts to promote the development of infrastructure especially in the form of industrial estates and to maintain a climate friendly to private enterprise. Under the first five year plan, 1956-60, for example, 52% of the total development expenditures were devoted to road building, railway improvement, postal and telecommunication services, electricity and water which are essential for the development of industries. Industries were given tariff protection where necessary and tax reliefs for pioneer status. The main concern up to the mid-1960's was overall industrial growth. This phase of industrial development was inward looking.Import substitution manufacturing provided the mainspring of growth.

From mid-1969 a new phase in the development of industries can be discerned. The new policy emphasized on acceleration of industrial development. One notable feature of the new industrial policy was the importance attached to labour intensive enterprises. Another feature was the government's intention to divert industries to smaller towns and rural areas. Thus in 1973, The Investment Incentives Act 1968 was amended to encourage industrial dispersion.

Impact on the GDP and the Structure of Production and Labour Employment

As the result of the government's active promotion of industrialization the manufacturing sector assumes increasing importance in the economy. It accounted for 11.4% of the Gross Domestic Product (GDP) in 1967.[3] The proportion increasing to 20.5% in 1980, is seen in Table 1.2.

As can be discerned in the Table, the manufacturing sector experienced the fastest growth rate. This shows that there is a distinct move towards manufacturing as Malaysia move towards more rapid industrialization.

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[3] Malaysian Industrial Digest Vol.1, No.4, Fourth Quarter 1968, p.13, published by Federal Industrialization Development Authority.

Table 1.2

Malaysia - Relative Importance of Sub-sectors of the Industry Sector in the GDP

Sub-sectors	Share of GDP		
	1970	1975	1980
Manufacturing	13.4	16.4	20.5
Construction	3.9	3.8	4.5
Electricity, Water and Sanitary Services	1.9	2.1	2.3
Transport, Storage and Communication	4.7	6.2	6.5
Mining and Quarrying	6.3	4.6	4.6

Source: Fourth Malaysia Plan, p.11.

The process of economy diversification also entails the shift in the structure of production between sectors of the economy and also within these sectors themselves - here only the shift within the manufacturing is given emphasis.

Table 1.3 shows the shift in the structure of production between the major sectors in the economy. There was a mark structural shift from the agricultural and forestry sectors to the industrial sector. Manufacturing share of the GDP increased by 7.3% while that of the agricultural declined by 8.4% between 1970 and 1980. This may be explained by the central role assigned to the manufacturing sector in Malaysia's diversification programs.

Table 1.3

Distribution of the GDP by Major Sectors in Malaysia's Economy

Sector	Percentage Share of GDP		
	1957	1970	1980
Agriculture and Forestry	29.8	30.6	22.2
Industry	30.3	31.1	38.4
Services	39.9	38.3	39.4
Total	100.0	100.0	100.0

Within the industry sector itself, there were also a noticeable shift between its various sub-sectors. From Table 1.4 below, we can discerned that there has been a shift from import substitution to consumer durables sector due to a higher standard of living.[4] Also can be noted is a shift towards the development of export-oriented industries.

In accordance with the objectives of the diversification programmes, the development of human resources was also accorded a high priority. Thus as the pace of diversification quickens, changes in the pattern of labour employment becomes unevitable as shown in Table 1.5.

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[4] Fourth Malaysian Plan, 1980-1985, p. 293.

Table 1.4

Output Composition of Manufacturing Percentage Share in Total Value Added of Manufacturing Sector

Sector	Share (%)			Average Annual Growth Rate (%)	
	1970	1975	1980	1971-75	1976-80
Food Products	15.3	10.9	9.3	2.1	7.1
Oils and Fats	6.3	12.9	14.1	21.0	17.1
Beverages and Tobacco	12.1	10.9	9.9	6.9	9.8
Textiles	2.1	2.5	3.0	13.3	19.7
Wood & Wood products	12.4	12.1	12.0	3.7	13.0
Paper and Printing	1.0	0.9	1.0	7.6	17.3
Industrial Chemical	3.3	2.3	2.0	2.0	7.0
Chemical Products	6.0	5.4	5.1	6.5	11.2
Petroleum Products	4.2	3.1	3.5	3.5	17.0
Rubber Products	6.7	5.5	4.5	5.5	5.6
Cement	5.4	4.9	5.2	7.0	15.2
Non-metallic	2.0	1.6	1.7	4.7	14.7
Basic Metal	3.1	3.2	3.6	10.3	11.8
Electrical Machinery	2.9	3.0	3.4	10.8	17.6
Transport Equipment	5.3	5.2	4.9	8.6	11.6
Other Manufacturer	7.3	11.4	12.4	36.4	16.3
Fabricated Metal	4.6	4.2	4.5	7.2	16.2
Total Manufacturers	100.0	100.0	100.0	11.6	13.5

Source: Fourth Malaysia Plan 1981-1985.

Table 1.5

Pattern of Labour Employment by Sector

Sector	Share of Total Employment (%)			
	1970	1975	1980	1985•
Agriculture, forestry and fishing	53.5	49.3	40.6	35.9
Mining and Quarrying	2.6	2.2	1.7	1.5
Manufacturing	8.7	10.1	15.8	18.0
Construction	2.7	2.9	5.2	5.5
Electricity, Gas and water	0.6	0.6	1.0	1.0
Transport, Storage and Communication	4.0	4.6	3.8	3.8
Wholesale and Retail Trade	11.4	12.6	12.7	13.7
Banking, Insurance and Real Estate	0.8	0.8	1.0	1.1
Government Services	12.0	13.0	13.0	14.9
Other Services	3.7	3.9	4.3	4.6
Total	100.0	100.0	100.0	100.0

Source: Third Malaysia Plan, 1976-1980.
Fourth Malaysia Plan, 1980-1985.

• Estimates.

The most notable feature of Table 1.5 is that the manufacturing sector's share of total employment increased rapidly as it assumes a greater position in the economy. Between 1975 and 1980 its share increased by 5.7% and by a further 3.8% between 1980 and 1985. On the other hand, employment by the agricultural sector, the tradition source or employment has been declining steadily i.e. 8.7% between 1975 and 1980.

Scope of Study

The brief analysis above has shown clearly that over the decade of the 1960's and 1970's, the production structure had undergone significant changes. The data on employment also reflects the impact of an increasingly diversified economy on the pattern of employment. These changes indicate the strategic role manufacturing will play in the Malaysian economy in the future. Thus it is the intention of the author to access how has these changes affected the socio-economic features of those who toil to make manufacturing successful - the workers.

Specifically are areas to be studied in this exercise, includes:-

(a) The worker's background and relate it to their work attitude;

(b) Work conditions and environment of the workers;

(c) Role of the labour union; and

(d) Factors affecting workers productivity.

This study is based on findings from data collected from two factories - labelled Factory A and Factory B - located in Shah Alam. It might not be representative of all factories in Shah Alam in our country.

Brief on Shah Alam Industrial Estate

The Shah Alam Industrial area is one of the 70 industrial sites in Malaysia. It is located 10 miles to the west of another industrial estate i.e. Petaling Jaya and 15 miles from Kuala Lumpur. The creation of this area was encouraged by the success of Petaling Jaya. It is about 1200 acres. It was first developed in 1966 and by 1972 there were 110 factories operating in this area with a labour force totalling 6,000. Today most of the industrial sector has been occupied. There are at present 135 factories employing 14,000 workers. The area is enriched with an array of light and heavy industries including 3 motor car assembling plants and Malaysia's only coin mint.

Methodology

While each research project is unique in some ways, every researcher has to decide on a set of research technique on tools from a wide range of alternative methodologies to facilitate the gathering of data. Here the author like any other researcher has to decide the type of information required and the methodology that are suitable for carrying out the study.

The methodology used by the author for this study can be summarized by the Table 1.6 below:

Table 1.6

Stage of Research	Type of Information Required	Time Taken	Data Collection Method Used
One	Exploratory studies	1½ week	Ready materials informed theories
Two	Non-verbal and verbal behaviour of workers in their natural environment - working place	6 weeks	Participant observation and informal discussions interviews
Three	Workers' family and education background workers' attitude	2 weeks	Interview
Four	Aspects which author does not have physical access to such as organization's capital		Document study

The author carried out exploratory studies during the initial stages to familiarise himself with the variable that might be significant and meaningful to look or the system, and the prevailing expectations about behaviour. This the author feel is important if for pin-pointing

to show what types of data to be obtained. For instance, it would be easy to commit a severe breach of norms without realizing it if one do not understand fully the language, customs and habits of the group being studied. This exploratory study also helps the author to gain entry to the group so as to make future participant observation and interviews exercise easier. This took one week.

After gaining entry into the group, observation method was used mainly for the purpose of collecting data on non-verbal behaviour. The type of observation method used in this study was participant observation - the author became an active participant in the activities being observed.

The interview method was used on completion of 1½ months of participant observation. Structured and unstructural interview were both employed in this study. Also used in this study were document studies to provide insight on matters which the author does not have physical access.

Gathering the Data

Like other empirical research the collection of relevant data is extremely important for an analysis can only be made based on the data collected. Thus the author selected 2 factories where in-site studies could be carried out to obtain first hand data as well as first hand knowledge. From empirical data and knowledge obtained from methods mentioned above it is hope that a general picture can be gained to enable the author to generalize about process and behaviour in factories.

Advantages and Disadvantages of the Methods Used

The primary technique used in this study was the participant observational method. Thus it will be given more emphasis here.

This method enables the author to discern on-going behaviour as it occurs. It also permits observation to take place in its natural environment. While the experiment studies subjects in an artificially controlled environment and the surveys tend to look at superficing verbal answers to a limited set of questions, participant observation is a better method of getting at real behaviour without raising the consciousness of the subject that he or she is the object of a study. In addition, this method of study allows us to observe behaviour for a longer period of time, thus allowing him to see trends and tell the differences between chance occurrences and the accustomed happenings.

However it must be borne in mind that not all the situation of interest to the author are accessible to this method of study. Quite apart from this, concrete behaviour can only be observed at the actual moments of its occurrence. The author could not collect observation data about past or future behaviour. Furthermore, the process of observation is itself always bound by temporal limits. It begins at a certain point in time and discovers a situation in process, which is itself the product of previous behaviour.[5]

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[5] Renate Mayntz, Introduction to Empirical Sociology, Penguin Education, 1976, p.88.

More importantly, there is a lack of control over extraneous variables that may affect the data collected in a natural setting. The amount of data collected is massive due to the flexibility of this method which allows for in-depth coverage or a large range of issues. This is followed by the non-quantitative nature of this form of data collection thus comparison is almost not possible. Its small sample thus create doubts on the reliability of the data collected. The observer also has to be discreet. Consequently he has to rely on his memory to store up data instead of openly recording events observed. There is usually a lapse period between the happening of something and the time it is recorded and thus some of it might have been forgotten.

To overcome some of these weaknesses, the interview method was employed to complement the observation method. The former allows some control over extraneous factors which is not possible at all if the latter method is used. Standardized interview allows the subject less spontaneity and yield answers only to pre-considered question, while guaranteeing the completeness and comparability of the answers and the quantifiability of results, and thus affording greater reliability. On the other hand the validity of results obtained in interviews are strongly influenced by the ignorance, error, inadequate memory and untruthfulness of the subject.

We have noted a number of factors that can affect the accuracy of observational data and data obtained through interviews. However by using both method simultaneously, it is hoped that errors can be minimised

and any adverse effect on data collected and thus achieve a high degree of data reliability and validity.

Problems Encountered During Field Work

During the course of the study, the author encountered various problems. Initially the author experienced some difficulties in getting a 'job' to carry out the in-depth study. The author met with many unfruitful attempt i.e. within a short period of one week and experienced many anxieties and disappointments of a genuine job seeker.

The nature of the methodology used also posed some problem to the author. Participant observation is characterized by immediate participation of the observer i.e. he assumes one or several roles which are defined within the system, becomes a member of that system and behaves accordingly towards other members with intention of obtaining insight into the concrete and natural behaviour of the group to be studied in specific situations by means of direct contact. In attempting to achieve this, the author tried to think and act in the manner of a worker including their perception of things and happenings around the factory. The author therefore began to have the tendency, because of this, to take on the attitudes and frustrations of the workers towards the management. At the same time, the researcher also had to remain a neutral non-partisan observer and try not to be affected by the role adopted. Being relatively inexperienced in field research also hampered the author's ability to do and to react in a neutral way when certain situations arose.

Conducting interviews too was quite problematic. The author had to arrange the interview for times when the respondent is available at their homes. The workers stay quite far apart from one another and the author had to travel to their homes. Most of the time the author can complete only one interview per day. Apart from these the author also experienced other problems i.e. lack of resources and time constraint.

Time too short to allow for real integration of workers before exposing real intention.

CHAPTER II

ORGANIZATION AND PRODUCTION

Having outlined generally the background and scope of this study, this Chapter will now focus on the history, organizational set-up and functions in the two factories where this study was carried out.

Background Information of Factory A and Factory B in General

Factory A was started about 20 years ago in a small shack at Kelang Road. It currently has two plants; the older plant is located in Setapak while the new plant is at the Shah Alam Industrial Estate. Likewise, Factory B is also located at the Shah Alam Industrial Estate. It was initially a subsidiary of a holding company which was incorporated in Singapore. But effective 1st October 1980, it became a wholly-owned subsidiary of another motor car company incorporated in Malaysia.

Factory A in 1975 has an authorized capital of $5 million divided into 5,000,000 shares of $1 each. These shares are wholly-owned by 10 persons who are related. It is thus a small family business organization. In contrast, Factory B is a public company. Its authorized and issued capital in 1983 is $100 million and $10 million respectively.

The principal activities of Factory A is the manufacture of plastic products for industries and regular plastic household products. It is the biggest manufacturer of plastic products in Malaysia. On the other hand, the principal activities of Factory B consists of the

assembly of motor vehicles. Both of them produce for the local markets only.

Organizational Set-Up

In this section we will look at the production system of the two factories. The production process involves direction from the top i.e. the management. The management exists to co-ordinate the production process. Thus enterprises can have either a functional, vertically integrated or divisionalized organization structure.

A functional organization can be seen as constituting subunits which are reciprocally interdependent to the extent that physical, financial and information outputs of each business unit represent inputs to other units. Management may divide the organization into departmental areas, the boundaries are determined by particular functional activities such as marketing, manufacturing, accounting and personnel.

An organization can also be vertically integrated. There exists a group of executives in a hierarchical order to give directions to the organization while a divisionalized system of organizational design consist of product divisions selling different products in different markets.

Factory A and B has a vertically integrated hierarchical organizational structure as shown in Figure 2.1 (a) and (b).

Figure 2.1 (a)

Management Structure of Factory A

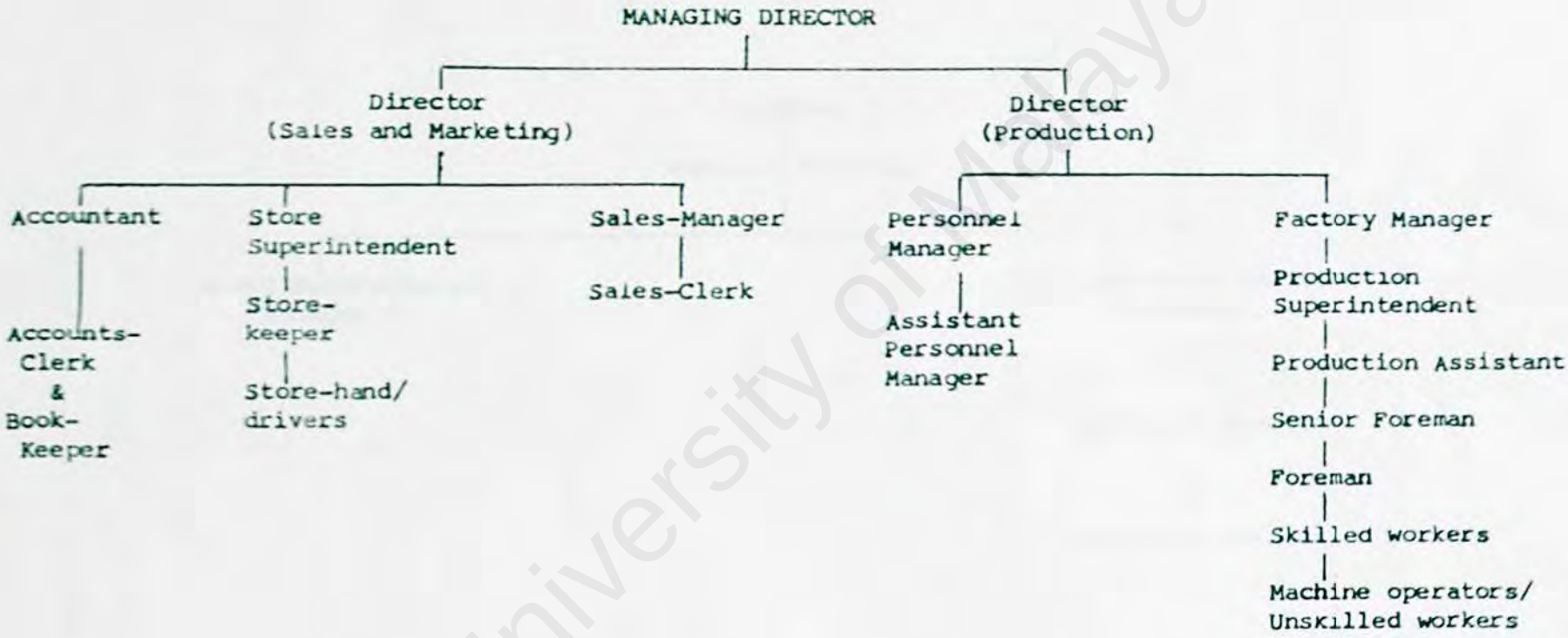
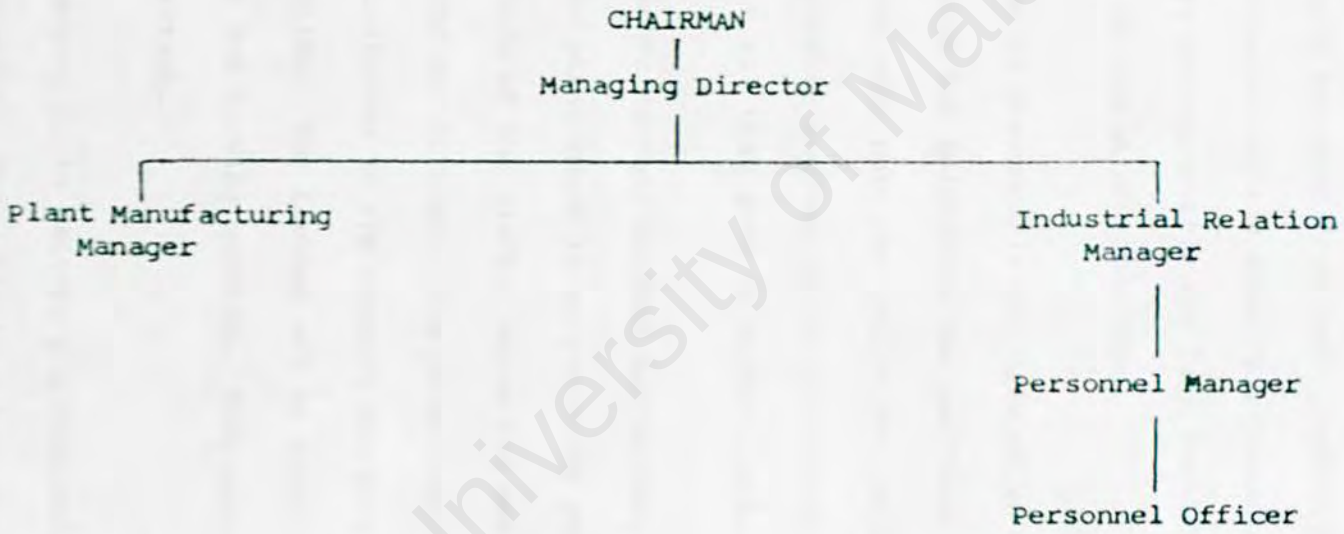


Figure 2.1 (b)

Management Structure of Factory B



In Factory A, the Managing Director tops the hierarchy. He is the person who takes charge of the overall management of the factory. He formulates the policies together with the two directors just below him based on feedbacks received from their subordinates. The Directors are responsible for marketing and sales and production respectively. One of the directors is responsible for both marketing and the sales while the other is in charge of production.

The former is responsible for drawing up marketing strategies. He is also responsible for soliciting new customers and maintaining good public relations with both the public and their clients. The latter meanwhile is charged with drawing up the production schedule. He is also responsible for all that goes on in the plant.

The Personnel Manager handles all matters relating to the workers while in the plant there is an executive known as Factory Manager. He manages the affairs of the plant. Below him are the supervisors, production assistants and foremen. The supervisor is responsible for delegating responsibilities to the workers and acts also as the quality and quantity controller. The foremen act as shift leaders in the injection, bakelite and blowing section. They are all responsible to the production assistant.

Unlike Factory A, in Factory B a Chairman occupy the highest position in the hierarchy. Below him is a Managing Director. He is charged with managing the affairs of the plant and the administration of the company. He reports to the Chairman. Just after the Managing

Director is the Plant Manufacturing Manager. He is in charge of running the affairs of the plant i.e. overseeing the whole assembling process like drawing out the manufacturing schedules, output schedules, input schedules and other activities related to manufacturing.

The personnel affairs of both the plant and administration department are under the responsibility of the Industrial Relations Manager. He takes charge of the workers in the plant and also the administrative staff. Next to him is the Personnel Manager who looks after matters relating to workers in the plant. He is assisted by the Personnel Officer. Both of them reports to the Industrial Relations Manager. Among their responsibilities are recruiting new workers for the plant whenever it is necessary, dealing with workers problems and complaints and other matters pertaining to workers in the plant. Thus we see that the management structure here is more complex and organized than in Factory A.

Production Process

In most manufacturing organizations it is possible to specify a number of functions which are carried out, namely: production, finance, research and development, marketing and personnel. The production function may be broadly considered as the process whereby inputs are transformed into outputs as illustrated in Figure 2.2.[1]

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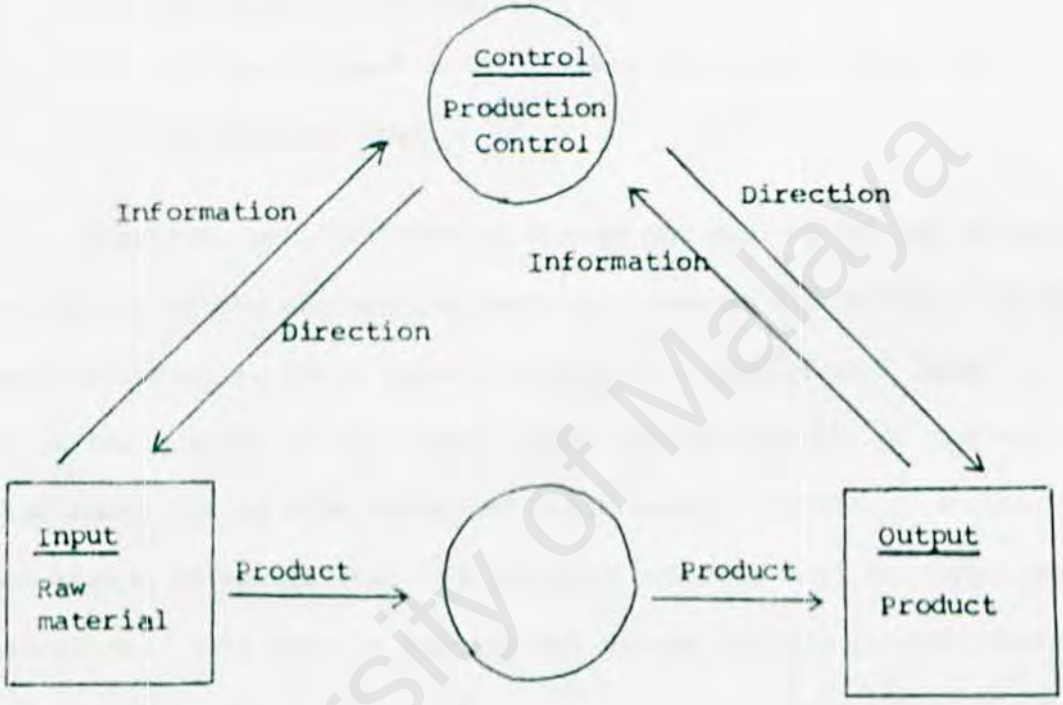
[1]John E. Bregel, Production Control, A Quantitative Approach, Prentice-Hall Inc., Englewood Cliffs, New Jersey.

Figure 2.2

Production Process as an Input-Output Process



The input is the raw material used in the product, the operation encompasses the conversion of the raw material (by employing equipment, time, skills, money, management, etc.) to the finished product, which is the output. Production is concerned with forecasting or predicting the required output, determining the necessary input and planning and scheduling the processing of the material through the necessary conversion or manufacturing process.

The objectives of the production section are to produce the desired product:

(a) according to specification;

(b) in the required quantity;

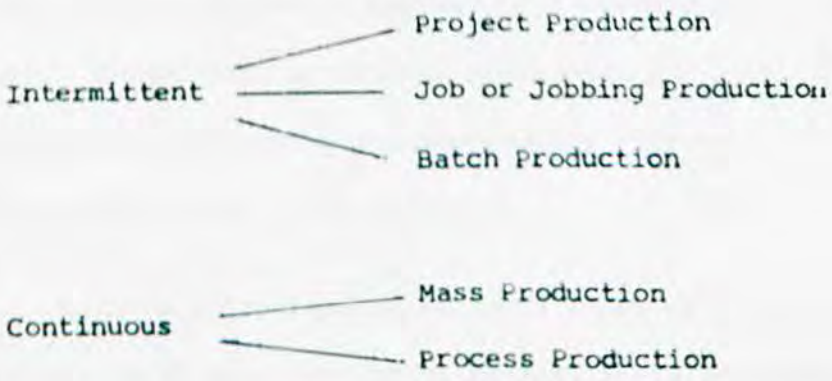
(c) in time to meet predetermined completion dates; and

(d) at required cost.

Detailed specifications of design and quality of the product will be set up by the engineering section. Whether the product can be produced according to these specifications will depend to a large extent on the quality of the labour force and the quality of the raw material used. It is also important that certain inspection procedures are undertaken to ensure that the finished products meet the required specification. This task is carried out by the quality control section.

The quantities to be manufactured will be determined by the demand for the product. Information related to product demand are provided by the marketing function while the finance function concerns the acquisition and efficient allocation of monetary resources.

There are two major types of production: intermittent production and continuous production. Each of these can be further categorised as follows:



Intermittent production occurs when manufacturing is undertaken after specific orders have been received. Continuous production is normally associated with the production of a large number of units. Manufacturing authorization are issued for production on the basis of sales forecast rather than specific orders. Assembly layouts and plans for production are set up at the beginning of the year and items are continually produced on the basis of the plans throughout the remainder of the year.

Project production occurs when a single unique product is produced while job production occurs when a single product or a very small number of items is produced, in response to a particular order. Batch production occurs where a group of identical items are to be produced, but the number of items required is insufficient to require mass production. The items produced will share the same facilities with batches of other products.

Continuous production exists when there is production of a single or very small range of similar items in large numbers. Process

manufacture involves continuous production of a commodity in bulk, often by chemical rather than mechanical means, example paint. Mass production except that discrete items are usually involved, as in the case in the production of motor vehicles.

Both the intermittent and continuous types of production are found in Factory A while only continuous production is common in Factory B.

The produce of Factory A are only for the domestic markets. About 50% of the production - intermittent production which consists of special 'made-to-order' goods i.e. battery containers, television parts, plastic scoops, etc. These products are to be produced to customers' specifications and the products are unique and are produced only in response to a particular order. The other 50% is made up of regular plastic household products which are produced continuously. These products i.e. pails, plastic cups, tupperwares, etc. are produced in large quantities throughout the year.

Similar to Factory A, the products of Factory B are also for local markets only. Mass production are carried out because of economies of scales can be reaped. Only continuous specialized production are found here.

Thus we see that the type of production varies with the type of products to be produced. Subsequently, the production process is different.

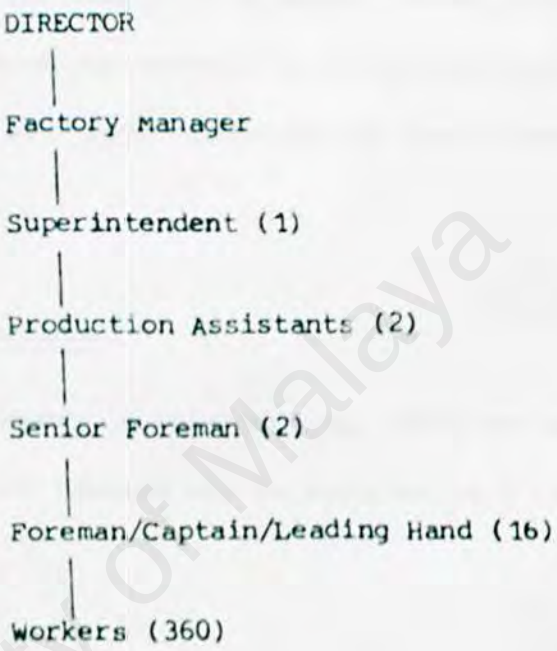
At Factory A, the production process begins once an order is received by the sales department. Detailed specifications of design of the product ordered are sent to the mould department while the details concerning quantity will be sent either to the compression, injection or blowing department. At the mould department a mould would be made according to specifications. On completion, it would be fitted to a machine. Plastic resins are then fed into the machine. The plastic resin would then pass through a heating chamber where it is melted and injected into the mould. It will then harden and later be taken out of the mould. From here, the product is sent, if additional work is required, to either the embossing or the spray and painting departments. If such additional work is not required, it will be sent direct to the packing department. There they will be packed into boxes and then stored in the warehouse before it is delivered to the respective purchasers.

Almost the whole production process is mechanized. The workers play only a very small part. They are responsible only for operating these machines. The number of articles to be produced per hour is regulated. Workers are required to achieve the targeted rate of production set by the management. The quality of these articles are monitored by a quality controller with the help of all the senior foremen and foremen.

Production is under supervision of the factory manager who is answerable to the company's Director. The supervision set-up is shown in Figure 2.3.

Figure 2.3

Factory A's Supervisionary Set-up



The plant is organized into six departments:

(1) Mould Department:

In this department there are 25 workers whose responsibilities are to make and repair moulds that are required for the production of all types of products. The workers employed in this section are usually semi-skilled workers who acquire their skill either through experience gained in another factory or through service as apprentices to the 'senior' in this department.

(2) Compression Department:

This section employs about 45 workers known as machine operators. They are all under the charge of a senior foreman who is assisted by 4 foremen. The job of the foremen is to maintain and repair the machines. They are also responsible to see that targeted production is achieved.

(3) Injection and Blowing Department:

There are about 25 workers in this section. They are also under the supervision of a senior foreman who is assisted by 5 foremen.

(4) Embossing Department:

This is the smallest department employing only about 10 workers. They are supervised by a leading hand.

(5) Spraying and Painting Department:

This department is responsible for colour-mixing. All the raw materials are white in colour and are mixed into colours required here. There are 50 workers here under 3 persons known as captain.

(6) Packing Department:

All the finished products are sent to this department to be packed. They are then taken to the stores for storage before they are delivered to their respective purchasers.

The factory possess a fleet of lorries and van to deliver all the finished products to their clients.

Unlike the manufacturing activities of Factory A the principal activities of Factory B consists of the assembly of motor vehicles. Two classes of vehicles assembled here:

1. Saloon cars;
2. Light Commercial Vehicles.

The types of saloon cars assembled here are:

(a) Ford Laser

(b) Ford Telstar

(c) Mercedes Benz 380 SE

(d) Mercedes Benz 230 SE

As for the Mercedes Benz cars, they are assenbled under the contract from Cycle and Carriage.

The assembling process takes place in the plant which is sub-divided in nine different departments as follows:-

(a) Supply Department:

This department, as its name suggests, keep stock of all the parts required in the production process. This section is further divided into various small sections i.e. (i) forklift drivers, (ii) material checkers - their duty is to see that all the consignment of motor vehicles parts received are in good condition, (iii) unboxer - they are responsible

for unboxing or opening all the boxes of parts received, (iv) loader.

(b) Body Built Department:

At this department all the parts of the motor vehicles which arrive in the form of completely-knock-down parts or CKD are started to be assembled. Here only the body framework of the car is fixed.

(c) Metal-finish Department:

At this stage, the body framework of the car will go through various processes. The body framework is first lead white and immediately after this undergoes welding. The purpose of these two processes is to close all the joint gaps and strengthen the structure. After this, filing and grinding will be performed to refine the structure or framework. From here the body framework is sent up for body pre-treatment and then phosphate treatment before being passed to the paint-shop and electric-dipping or E.D. department.

(d) Paint-Shop and Electric-Dipping Department:

Here the body framework undergoes another few processes. Firstly, it undergoes a process known as rinsing to clean it of phosphate. Then it is sent for electric-dipping whereby the car is submerged into electrically-charged water for rust-proofing. It is then oven-dried after which all the joints, holes and parts will be sealed. Then it undergoes further processes i.e. P.V.C. or polymer veneer chloride, primer oven, dry-sending and cleaning. After undergoing all this

processes, the body framework of the car is colour sprayed. Then it is sent to the rectifying and polishing line where any defects or uncomplete or unsatisfactory colour spraying are rectified. From here the framework of the car is sent to the trim line department.

(e) Trim-line Department

The framework on reaching this department will be fixed with the trim pad, instrument panel, wiring, front and tail lamps, wind screen and window panes.

(f) Final-line Department

The assembled parts will then be sent to this department from the trim-line department. Here a process known as drop-body will be performed whereby the engine parts of the car is fixed onto the car. The tyres, carpet, steering and batteries will also be fixed here. Then it will be sent for wheel and head lamp realignment after which it will be water-tested.

(g) Paint and Mechanical Rectification Department:

After the car has gone through the water-test rectification work on its engine and wiring will be carried out. Here the painting of the car will also be rectified if necessary and then polished.

(h) Quality Control Department:

The car when in this department will be test-driven and should any malfunction or defects be detected, it will be sent to the last department in the production line, that is the maintenance department.

(i) Maintenance Department

As stated above, all defects and malfunction detected while the car is test-driven will be corrected here. After this has been done, the car is ready for delivery to its perspective customer.

All the cars assembled are only for the local market. The rate of production is dependent upon the demand. Almost all the parts required in the manufacturing process are imported from Japan. They are imported into the country via Port Kelang. From here it will be sent to a forwarding agent who would then transport it to the plant in Shah Alam. All the parts come in the form of CKD. Apart from these imported CKD parts, some local contents are also used. Among them are locally made tyres, batteries, materials for wiring, carpet, seat cushion and exhaust parts.

CHAPTER III

WORKERS AND WORKING CONDITIONS

There are two parties in any production system i.e. entrepreneur that provides capital and labour provides management. Having discussed production process, in this chapter the author intends to study specifically character of workers such as composition and the working conditions in each of the factories.

Composition of Workers

Factory A employs about 330 production workers. A large proportion of these workers are unskilled i.e. 63% of the total workforce. Skilled workers make up only a small percentage of the total workforce, i.e. 15.2% compared to the unskilled workers. 75% of these unskilled are Malays while Indians and Chinese make up 25% and 10% respectively. Unlike the unskilled workers who consists of mainly Malay workers, 80% of the skilled workers are Chinese while there are only 15% and 5% Malays and Indian workers respectively. The remainder consists of semi-skilled workers. 75% of the semi-skilled workers are Chinese awhile another 15% are Malays. Indian workers consists of only 5%.

A sizeable proportion of the workforce consists of female workers, that is 62% of the total workforce. Out of this 73% are unskilled workers and another 24% semi-skilled workers. Skilled female

workers make up only 2% of the total female workforce and 1% of the total workforce of the factory. In contrast male workers make up only 38% of the total workforce but 36% of them are unskilled workers. Of the total workforce of the factory 14% are skilled workers, 18% unskilled workers and 6% are semi-skilled.

Table 3.1

Labour Force of Factory A by Skill level, Sex and Race

Skill Level	Total Workforce		Total Male Work-force	Total Female Work-force	Ethnic Group		
	Male	Female			Malay	Chinese	Indian
Skilled	14% (45 workers)	2% (5 workers)	36%	1%	15%	80%	5%
Semi-skilled	6% (20 workers)	15% (50 workers)	16%	25%	20%	75%	5%
Unskilled	18% (60 workers)	45% (4150 workers)	48%	75%	65%	10%	25%
Total Percentage	100%		100%	68%	68%	12%	20%

From Table 3.1 above, it can be discerned that only a small proportion of the factory's skilled workers are female. This may be due to one or more of the reasons below:

(i) the pay offered is considered very low by most of them. Furthermore, the rate of increment and fringe benefits offered are very unattractive to them;

(ii) most of the male workers find the job very boring and monotonous. Concerning this aspect, the female workers also find the job boring and monotonous, but unlike the male workers they are prepared to continue working because they consider the job light and simple;

(iii) most of the male workers aspire to learn something that could be useful for them in the future but the type of job here do not provide them with training or equip them with some useful skills. Thus we find that most of them do not stay long.

As a result of these factors, the factory experiences a very high turnover rate for this group of workers, i.e. 5% per month.

The high percentage of Malay unskilled workers may be due to the fact that the areas surrounding the factory are mostly Malay kampungs.

Similarly in Factory B, 60% of the total workforce of 506 workers are Malay while Indians and Chinese make up only 21% and 19% respectively of the total workforce. The entire workforce consists of male workers. Nearly all (90%) of these workers are skilled and semi-skilled workers who specialize in certain aspects of the industry. Workers in the body built department, for example, specializes in the

assembling of the body or framework of the motor vehicles.

Working Conditions of Workers

Both factories require employees who are engaged for regular employment to undergo a probationary period not exceeding 3 months in the first instance. This period may be extended for a further period of up to 3 months at the discretion of the company. Probationers will not be paid less than the minimum of the appropriate grade of salary scale applicable to the worker concerned. In Factory A the probationer has to undergo a thorough medical examination and must be certified medically fit for employment by the company's doctor.

All the workers at the two factories are paid according to their preset grade and salary scales. The salary scales and job titles that fall within each grade of Factory A and Factory B are set out in Appendices I and II (page 72).

Generally the workers in Factory A are graded from A to G while in Factory B from I to VIII as shown in Appendices I and III. It can be seen that there is a limited form of sex discrimination at Factory A. For example, female sweeper/gardener are classified into Grade A while their male counterparts are classified as Grade B workers, and thus are paid differently. Such form of discrimination is not found in Factory B.

Workers in Factory A are paid at monthly rates but in Factory B they are paid at hourly/weekly/monthly rates.

Apart from their basic salary, workers who are required by the company to work on rotating shifts will also receive a shift allowance. The rate of shift allowance in Factory A are as follows:

(i)	Morning shift	$1.00
(ii)	Afternoon shift	$1.80
(iii)	Night shift	$2.40

While in Factory B, it is $2.00 per shift worked or alternatively the sum of $4.00 for shifts worked. In Factory A shift work are work to be carried out continuously by succession of 2 or 3 cycle shift. Here only machine operators from the injection and the blowing are required to do shift work.

The working hours for the shift in Factory A are:

1st shift - 7.30am to 3.30pm

2nd shift - 3.30pm to 11.30pm

3rd shift - 11.30pm to 7.30pm

The above shift schedule is inclusive of one meal break of 45 minutes. On the other hand, non-shift workers observe a different working schedule as shown below:

Monday to Friday - 8.00am. to 5.00pm.

Saturday - 8.00am. to 1.00pm.

The above schedule is inclusive of two tea break of 10 minutes each and a lunch break of 45 minutes.

In Factory B, all workers are required to work for 44 hours per week or 8.8 hours per day for 5 days per week.

While shift work are compulsory at the sole discretion of the company, any overtime work at both factories must be agreed upon by the parties concerned i.e. the workers and the company. Thus overtime is work performed at the prior request of the company outside the normal working hours. Though it can only be done with the consent of the employees but such consent should not be unreasonably withheld.

Both factories pay one and one half times the hourly rate for one hour's overtime work. At Factory A, the normal hourly rate is:

$$\frac{\text{Monthly rate of pay} \times 12}{\text{Hours per week} \times 52}$$

At Factory B workers who are required to work overtime after midnight or on completion of the second shift, shall be paid a special allowance as follows:

(i) For the 1st hour of overtime - $4.00

(ii) For the 2nd hour of overtime - $4.00

(iii) For the 3rd hour of overtime - $8.00

Subject to the maximum of M$16.00 in total for (i), (ii) and (iii) above, such allowance is not given in Factory A but like Factory B, meal allowance is given. The rate is $1.80 for overtime of more than

two hours if no meal is supplied excluding Sunday and public holidays while in Factory B it is $3.00 for overtime 3 hours or more after the normal working hours with similar provision as Factory A.

Subsequently similar provision is enforced at both factories when a worker is called from his house to work overtime outside his normal scheduled hours of work. Both pays the worker concerned a minimum of 4 hours at ordinary rate in addition to the actual number of hours at overtime rate. Transport will also be provided by the company for this purpose.

Every worker in Factory A is entitled to a rest day for one week of work while workers in Factory B are entitled to two days per week. The normal rest day is Sunday for Factory A while for Factory B it is Saturday and Sunday. The workers are also entitled to it fully paid public holidays which are gazetted 14 days by the Federal and State Government. However, any worker who absents himself/herself from work on the working day immediately preceeding or succeeding a paid public holiday without prior consensus of the company or without reasonable excuse will not be entitled to any holiday pay for the particular holiday. Payment for work in the factories are also in accordance with the Employment Act 1955.

Workers at both factories are also eligible for annual leave on completion of twelve continuous months of service but the annual leave entitlement provided for is different in both factories.

The annual leave entitlement for workers in Factory A is as follows:

(1) On completion of 1-3 years' service -
12 working days for every period of 12 months;

(2) On completion of 3-5 years' service -
15 working days for every period of 12 months;

(3) On completion of 5-10 years' service -
19 working days for every period of 12 months; and

(4) On completion of 10 years' service and above -
19 working days for every period of 12 months;

while at Factory B, it is as follows:

(1) Up to 4 years continuous service -
13 working days per annum;

(2) Above 4 years and up to 7 years continuous service -
16 working days per annum;

(3) Above 7 years and up to 10 years continuous service -
19 working days per annum; and

(4) After 10 years continuous service - 20 working days per annum.

In Factory B only, all workers with the exception of the plant and maintenance personnel and such other personnel as the company will specify from time to time, will be granted their annual leave

during periods of annual plant shut-downs, that is during the 3 major festival holidays, namely: Chinese New Year, Hari Raya Puasa and Deepavali. Any leave granted outside the annual shut-down period(s) or outside the leave roster, with the exceptions of paid sick leave, compassionate leave, study/trade union leave and approved annual leave will be unpaid. Each worker here will be paid his ordinary rate of pay for everyday or such annual not taken but in Factory A pay in lieu of leave not taken will only be granted in cases of retirement, retrenchment and resignation.

Workers at both factories on the recommendation of the company doctor or in case of emergency of any government medical officer, shall be entitled to paid sick leave as follows:

(1) 14 working days for service of less than 2 years;

(2) 18 working days for service of 2-5 years;

(3) 22 working days for service of 5 years or above; and

(4) 60 working days if hospitalization is necessary.

In addition all workers are eligible for free medical attention and treatment by the company doctor and the company shall pay for the cost of medicine prescribed or supplied by the company's doctor. In the case of hospitalization, Factory A shall pay for the cost of second class 'B' while Factory B, the cost of second class 'B' accommodation and ward charges in a Government Hospital subject to a maximum of M$2,000 for each worker in any calendar year.

Apart from those mentioned earlier, workers at both factories are given compassionate leave, retirement benefits, bonus, etc.

Generally the working conditions are almost the same at the two factories but one notable feature is that even though the terms of service are almost the same, the rate of labour turnover at Factory A is very much higher than at Factory B. This might be due to job trainings given at Factory B which is not made available to the workers in Factory A.

CHAPTER IV

WORKERS' BACKGROUND AND THEIR ATTITUDE TOWARDS THE LABOUR UNION AND THEIR WORK

In this chapter, the author intends to study the workers' background, focusing specifically on their education and then attempt to relate it to their attitude towards both the labour union and their work.

Workers' Background

The majority of the workers in Factory A are females. They usually stay in Malay villages or kampungs in and around Shah Alam, Kelang, Banting, Meru and Kuala Selangor though some of them reside in residential areas in these towns. Most of them are from poor families who need them to work to help support them financially. Thus most of them stop schooling at a very young age. Consequently they have very little formal education.

Similarly a large proportion of the workers in Factory B are from areas surrounding Shah Alam and other nearby towns. Most of them stay in the outskirts of the towns and their parents are usually rubber smallholders or peasants. 58% of the workers interviewed come from the rural areas while the others are from urban areas. The majority of them dropped out of school in their mid-teens. Therefore they did not possess much education.

Table 4.1 shows the level of formal education of workers in Factory A and Factory B.

Table 4.1

Level of Formal Education of Workers in Factory A and B (Percentage)

Level of Education Achieved	Factory A	Factory B
No education	10%	5%
Standard 1-6	27%	33%
Form 1-3	63%	44%
Form 4-5	-	18%
Total percentage	100%	100%

Generally the workers in Factory B possess a better level of formal education. A higher percentage of the workers in Factory B sat for the Lower Certificate Examination (LCE) compared to that of Factory A. It must be noted however that a large proportion of Factory B work-force is at the Form 1-3 level of education. This is because a large number of the workers here dropped out of school while they were in Form One or midway through their Form Two. We can also see that 18% of the workers in Factory B received secondary education while none in Factory A achieved this level. This might be due to the fact that the workers in Factory B are dominantly males thus are probably given much more encouragement and support by their families.

There are also a small number of workers from other states like Perak and Malacca. These workers usually put up at their relatives' place or rent a room somewhere near their place of work. The most popular area is a small Malay kampung called Padang Java which is about 3 km. from the Shah Alam industrial area. The rental for a room ranges from $20 - $45 while that of a house from $45 - $120, depending on the condition of the house and facilities provided. Some of these houses have electricity and water supplies while others do not have such facilities. Table 4.2 summarizes the living conditions of the workers at both factories.

Table 4.2

Housing Conditions of Workers in Factory A and B

Area/Type or housing/facilities	Percentage of Workers	
	Factory A	Factory B
Squatter areas	-	16
Estate	6	16
Low-cost flats	11	21
House owned privately	61	32
Electricity supplies	100	84
Water supplies	94	79
Renting from second party	28	53

We can see that 61% of the workers in Factory A compared to only 32% of the workers in Factory B stay in their own house. This may be due to the fact that a large proportion (81%) of the former are single and are still staying with their parents. This is in comparison with Factory B where 98% of the workers interviewed are married. Family responsibilities, low income and the high cost of houses combine to make it financially impossible for the factory worker to own a house. 52% of those from Factory B are renting a house compared to only 28% of the workers in Factory A. Most of them are outstation workers. Most of the workers in Factory A rent rooms in Kampung Jawa while the workers in Factory B usually stay either in low cost flats, estates or in the squatter areas.

Comparatively the workers of Factory A depends more on bus services than those of Factory B. Most of the workers in Factory B possess motorcycles which they ride to work. The most popular form of transport among workers in Factory A is factory buses that ply between the Shah Alam Industrial Estate and the surrounding areas. These buses are operated by private operators and not by the factories themselves. The fare is as follows:

1. From Kelang to Shah Alam Industrial Area - $0.50
2. From Padang Java to Shah Alam Industrial Area - $0.25

On the average, those workers from Kelang spend about 7% of their salary on transport while those from Padang Java about 4%. In the case of workers from Factory A, their fares are fully borne by the

company if they are working on the night shift but for those on the afternoon shift, only the fare for the return trip are paid for.

Workers' Attitude Towards the Labour Union

At both the factories, all their workers with the exception of those who are on probation are eligible for membership in their respective house labour union. The labour union in Factory A and Factory B are affiliates of the National Union of Petroleum and Chemical Industry Workers and the Transport Equipment and Allied Industries Employees Union respectively.

The majority of the workers at both factories are members of the labour union at their respective work site. Statically, 280 or 78% out of a total workforce of 360 workers in Factory A are registered members of their labour union while about 85% of the workers in Factory B are members of theirs.

Although 78% of the workers in Factory A are members of their labour union, it is sad to note that a large proportion of them do not know much about the functions or roles of their labour union. When queried about the function of their labour union, 62% of the workers could only named one function, 33% gave two functions and only 5% were able to provide three functions.

The workers in Factory B generally are more aware of the union's functions. 58% of those asked to name the functions of the

labour union gave two compared to only 33% in Factory A while the percentage who gave only one function are also very much smaller, i.e. 27% compared to 62%. Those who named 3 functions is about 15%. Table 4.3 below summarizes the situation.

Table 4.3

Workers' Awareness of the Functions of the Labour Unions

Number of functions given	Percentage	
	Factory A	Factory B
One	62	27
Two	33	58
Three	5	15

The functions most frequently mentioned are protection workers' right and interests and fighting for higher pay. Other important functions of the union like acting as mediator between workers and management were not given by the workers in Factory A while only about 6% of the workers in Factory B did so. In general, the workers in Factory B show keener interest in the activities of their union and are more aware of their functions than workers in Factory A.

The above situation might be brought about by the following factors:

(i) Lack of education - because or this most of the workers are faced with a confidence crisis when confronted with problems. Consequently, they do not pay much attention to the things that are going on around them. They concentrate their energy on their work preferring to be ignorant of the circumstances in their work place. They are what the author called 'dormant members'.

(ii) Fear of confrontation with employers - most of the workers are females and by nature they are very timid and easily intimidated by 'threats'. Thus they try to disassociate themselves from the union. In Factory B where the workers there are totally male, it is not so much the fear of offending their supervisor or the management but the indifference attitude of the workers that results in the ignorance of their rights.

(iii) In Factory A, most of the workers are 'transitional workers'. Their main concern is to earn as much money as possible which means higher or better pay. This they tend to view fighting for higher pay as the sole and most important function of the union.

Consequently, the labour union officials find it difficult to carry out the activities of the union.

Workers' Attitude Towards Their Work

As mentioned earlier, the workers in Factory A consists mostly of females. The majority of them are between the age of 15-20 years old. They do not stay with the factory for a long period. They can be referred to as 'transitional workers' that is, single worker who remain in the job market until they are married. They do not view their job as a permanent one but rather one that is temporary. Hence they do not have the feeling of attachment towards their factory or company. They usually adopt a carefree attitude and as long as they can achieve the targeted rate of production they are satisfied.

There is no motivation to better themselves. Even among those workers who intend to carry on working after their marriage, the will to do better is also lacking. This may be due to either one or both of the factors below:

(a) A high degree of 'helplessness feeling' that exist among the workers. The contributing factors to this attitude is not surprisingly, the lack of education among the majority of the workers, as shown in Table 4.1.

(b) Most of the workers are still very conservative and believe that home is the rightful place for a woman.

Thus it is not surprising that 61% of the workers in Factory A choose not to stay with the factory for a sustained period of time compared to only 26% in Factory B as shown in Table 4.5 below:

Table 4.5

Workers' Commitment Towards Their Factory

	Intention to stay	
	Yes	No
Factory A	39%	61%
Factory B	74%	26%

Commitment is used here by the author to refer to the workers' intention to stay with the company for a long period to come.

This might be due to the 'transitional' nature of the workers in Factory A. Unlike the workers in Factory B, they are not tied down by immediate financial responsibilities to their families. As a result, they place emphasis on a quick rise in salary compared to job security.

The job appeal preferences of the workers are summarized in Table 4.6.

We can see from the Table that only 4% of the workers in Factory A placed emphasis on job security compared to 21% in Factory B. Chances of promotion is also not given much thought. On the other hand, 25% of the workers in Factory A said that distance from home is important compared to only 5% in Factory B. Thus we can discern from this Table that the workers in Factory A are much more concerned about the pay

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Table 4.6

Workers' Job Appeal Preferences

Aspects of job appeal	Factory A	Factory B
Salary	40%	33%
Job security (Retrenchment)	4%	21%
Chances for promotion	6%	12%
Working conditions (comfort)	6%	6%
Interaction with fellow workers	2%	4%
Freedom of movement	2%	2%
Nature of job	13%	5%
Safety during work	-	12%
Distance (near home)	25%	5%

offered than job security or chances of promotion. This statistics confirm the transitional nature or the workers in Factory A.

On the other hand, we find that a substantial proportion of the workers in Factory B emphasized the importance of job security and chances for promotion i.e. 21% and 12% respectively. This may be due to their need for job stability because they have family responsibilities and commitments. Consequently this factor may also helped to explain the 'carefree attitude' of the workers in Factory A. They are not tied down by any family responsibilities and thus are free to move about.

CHAPTER V

LABOUR UNION

This chapter will discuss the manner in which workers in the two factories organize themselves to struggle for their interests. The most obvious manifestation of workers organization is represented by the union.

Generally a labour union comprises of a body of workers in the same establishment designed to do for its members by combination things which these workers acting in isolation could not do for themselves. The union is meant specially to help them to get collectively - through collective bargaining - better terms of employment or service than they could expect to get if each person has to make a private bargain individually. Such bargaining commonly results in collective agreements laying down conditions of employment to remain in force either for a definite period or until they are revised by further negotiations, and these arguments after include provisions for dis ussing and settling disputes that arise out of them, or while they are in force.

Labour Organization and Structure in Factory A and B

The labour union of Factory A is affiliated to the National Union of Petroleum and Chemical Industry Workers. As of 1983, the membership of N.U.P.C.I.W. is estimated at 5000 workers while that of

its subordinate local union is about 280 workers. As for the labour union in Factory B, it is an affiliate of the Transport Equipment and Allied Industries Employees Union which has a total national membership of about 6,052 workers. As of 1983, this national union has 22 affilates. The worksite union in Factory B is about 502. Both factories have a very high percentage of unionized workers i.e. about 81% of the total workforce.

Generally all the workers who have completed their probationary period are eligible to apply for membership in the labour union at their respective worksite. Any confirmed worker who has completed his probation can apply to be the member of the labour union by completing a set of application form which will then be sent to the headquarters of the national union. The headquarters of the national union will on approval send a letter to the management advising the management to deduct $3 from the applicant's salary every month as monthly subscription to the union. In Factory B, it is $4 per month. A copy of the letter will also be send to the Union Works Committee.

Trade Union and their affiliates elect their own officers and committees as well. They are volunteers who are paid very small sums in part compensation for their spare time labour or for loss of time when they have to be absent from work on Union business. Normally, the amount given is equivalent to the member's ordinary rate of pay. At worksite level of Factory A, there are eleven (11) office bearers. While the Union Work Committee at Factory B has sixteen (16). Here

the author wish only to examine the structure of the labour unions at worksite level. Figure 5.1(a) and (b) shows the structures of the unions of Factory A and Factory B respectively.

From Figure 5.1(a) and (b) we can see that the labour union structure of the two factories except for a slightly bigger committee in Factory B, are similar. All the office bearers and committee members are elected by secret balloting.

Only registered members of the unions are eligible to vote and stand for election. The tenure of office is normally a year after which it expires automatically. The elections are held once a year during the union's general meeting. The elections are normally held at the worksite union's office with the present of worksite and officers from the Headquarters (National Union).

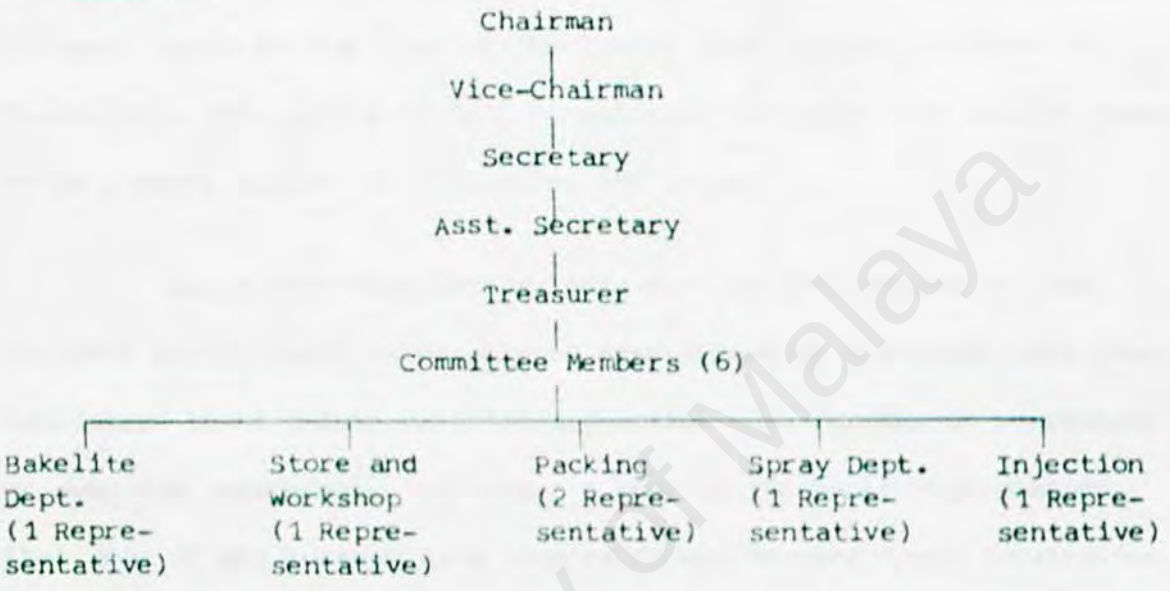
Why Workers Join Unions

As we have seen earlier, the local branches of both the factories are affiliated to national trade unions. Thus there exists what is known as the centralization of collective bargaining which meant that the labour union has little or nothing to do with fixing of wages or general conditions of labour though the national trade union usually discuss with the respective representative of their affiliates. The question that might arise then is what are labour unions for? Do workers' need a labour union?

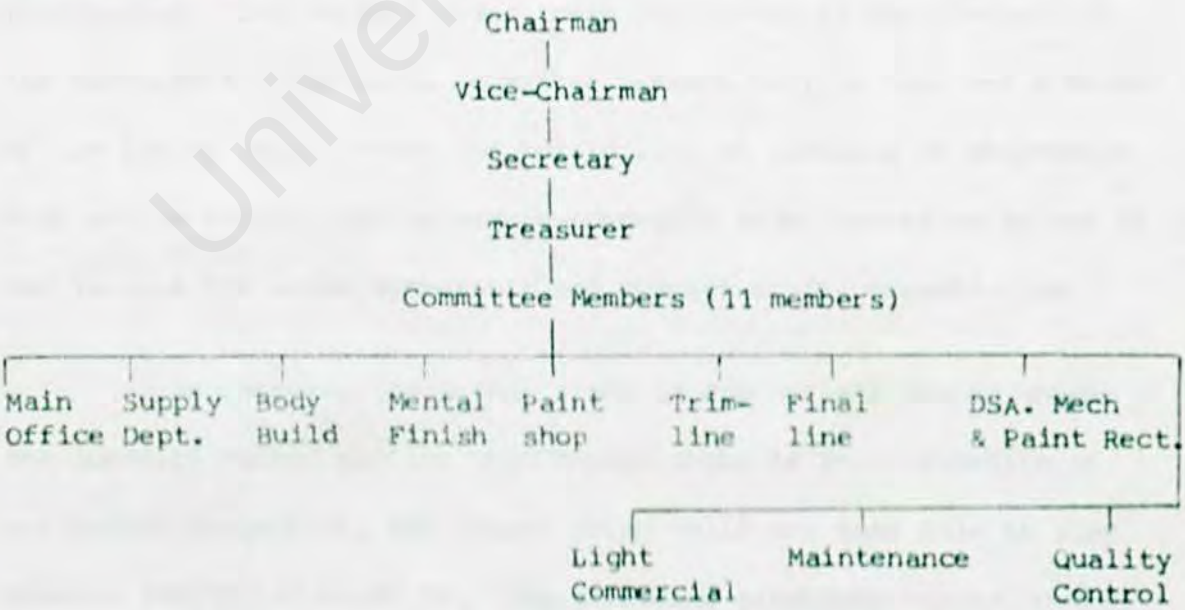
Figure 5.1

Labour Union Structure of Factory A and B

(a) Factory A



(b) Factory B



The author's investigation seem to suggest that a large proportion of the workforce at the two factories joined their respective union largely to win higher wages. For example about 50% and 32% of the workers in Factory A and B respectively who were asked to name the most important function of the labour union listed fighting for higher pay. The desire to help to maintain the union wage scales seems to be a major motive for supporting the union.

Apart from this factor, many workers join because of some incident in the plant in which they experienced or witnessed what they considered to be unfair or arbitrary action by a foreman or supervisor or even the management. For example some of the workers complained that some of the foreman used them as target to vent their frustration. Sometimes they are shouted at and scolded by the foremen or supervisors for not being able to reach the target set due to the machines malfunctioning. The workers under these circumstances can complain to the worksite's union works committee members only if they are a member of the labour union. Thus the possibility of limiting or redressing such action through the grievance procedure might therefore be one of the factors for union membership and support of the organization.

Henceforth, the author finds it appropriate now to answer the question raised earlier that though there is centralization of collective bargaining, the labour union still has some role to play however limited it might be. The grievance procedure stated in the collective bargaining of both the factories for example requires any

worker having any grievances to be accompanied by member/s of the labour union works committee representative/s - at least two in Factory A - when approaching his or her immediate superior to seek redress.

In Factory A too the author noticed many workers approaching their respective union works committee representative to seek their help to apply for leave or settle various daily problem like those pertaining to contributions to the Employees Provident Fund. Thus we can discern that in general lack of education and ignorance among the workers render the labour union useful. The workers still need the labour union to help them solve their daily problems and also to give them a place to turn to in times of troubles or need.

Strength of the Labour Union

The labour union of Factory A and Factory B has a membership of about 282 and 506 respectively. In general the membership can be divided to active minority and inactive majority. The former consists mainly of those who hold or hope to hold some office in the union. They take their membership seriously because of their interest in the wider working-class movement. In Factory A this group of activists is only about 10% of the total union membership while in Factory B it is about 25%.

In Factory A the proportion of active members is so small because almost 62% of its workforce comprises of female workers. Out of this number about 85% are new workers i.e. have been with the company for only about one or two years. Furthermore most of them are not very well educated and because of this feel inferior. Thus they are not prepared to involve themselves in union activities which require them to deal with some paper work or deal with the management. The author found that majority of union work committee here are non-Chinese workers i.e. 9 out of 11 union work committee representatives. This might be due to feeling of management favouritism or double-standard among the workers. Most of the non-Chinese workers complained Chinese workers are usually given better pay and increment. However at interpersonal level the Chinese workers maintain cordial relations with their Malay counterparts. The Chairman of the labour union here also expressed similar sentiments when the author spoke with him. He said that the management have a set of standards for Chinese workers and another different set for non-Chinese workers. For example, an Indian worker who was caught stealing was turned over to the Police while a Chinese worker who was caught commiting the same offence was given only a warning letter. Though the author agree that there is a certain degree of favouritism but it is not the better working conditions which cause the reluctance of the Chinese workers to join the union. In fact most of the Chinese workers the author spoke to did not like the management. The reason might be due more to the sceptical attitude shown by the Chinese workers towards the union. They

are very critical of the union and doubtful that the union can function effectively.

On the other hand, the majority of the members can divide into occasional attenders and those who are never seen at all at a meeting. Thus the labour union in both factories are carried on by the active minoriti minorities.

Normally a branch meeting is held once a month. During such meetings the representatives of various sub-sections i.e. bakelite section or packing section would each give a report on their respective section. These reports include problems faced by workers in each section or complaints filed by members. An emergency meeting will be called if any urgent matter arises. These meetings are usually attended only by the members or representatives of the union works committee. Ordinarily workers usually do not present themselves at such meetings. They are informed about any union's decision or policies through information sheets. Sometimes they are just passed around orally by the union works committee members during lunch or tea-breaks.

Lack of participation by the ordinary members or workers in any meeting or decision-making may explain the widespread apathy among the workers and thus very little participation by most paying members among the workers. The widespread apathy among the workers could be due also to the following factors:

(a) the workers' low level of education;

(b) most workers are much more interested in other leisure time activities i.e. in the sports club than in the union business;

(c) workers especially those with family responsibilities are afraid that becoming active member of the union might jeopardise their job or promotion chances. Thus they prefer to stay in the background and stay as non-active union members; and

(d) labour legislations - the provisions of the Industrial Relations Act 1967 (Revised 1976) requires any dispute relating to the interpretation or implementation of the collective agreement signed between the management and the labour union to be settled by negotiations. The union are not allowed to held strikes until all legal ways are exhausted i.e. arbitration or settlement in the Industrial Court. These legal restrictions greatly hinders the effectiveness of the labour union in voicing the workers dissatisfactions. They neutralize the most potent weapon of the labour union.

Therefore, due to the passive character of their membership and some legal restrictions, the author feels that the strength of the labour unions are greatly reduced. Strikes, by far the most important source of union power is 'neutralized'. Deprived of its most potent

weapon the labour unions function ineffectively as the representative of the working class.

One good case to illustrate the pathetic state above was witnessed by the author while in Factory A. A worker was suspended and subsequently sacked after an argument with one of the directors. The worker concerned had earlier gone to clean himself 10 minutes before time but after finishing his work. The worker was not paid any compensation by the company for dismissal because the director involved refused to pay. He challenged the labour union representative to report the case to its national body. The director concerned also brought along his lawyer and four policemen when the case was heard at one of the conference room in the factory. The union representatives present during the hearing expressed their regrets over the conduct of the director as according to the collective agreement signed between the two parties, the director if he wishes to take any action on any worker has to go through the employee's supervisor and not act personally. But the director said that he has the right to dismiss any worker whenever he deems fit.

Thus we can see that the labour union is unable to play their traditional role effectively due to the factors mentioned earlier in this chapter.

Chapter Six

Conclusion

This study is an attempt to assess the socioeconomic fortunes of production workers in Malaysia specifically :-

(i) the workers' background and their work attitude;

(ii) work conditions and environments of the workers;

(iii) role of the labour unions;

(iv) workers' attitude towards the labour union and;

(v) factors affecting the workers' productivity.

During the past two decades,Malaysia has seen rapid growth in its industrialization process.The government has adopted various policies aimed at promoting key industries with host of incenties including tax exemption.Malaysia's hope is that the industrial growth help motivate parallel growth in other sectors of her economy. But sad to say that during the industrialization process,very little attention has been paid to those who toil to make the industries successful - the workers.

The author's findings reveal that there is widespread poor working environment in most factories.Among them are the management's exploitation of workers and also the workers' short sighted interest in better wages and conditions of employment for the immediate future only.An important consideration overlooked by both workers and management are the working conditions face by

by the workers everyday.The inddiferent attitude of the workers (at least in Factory A and ractory B) can be traced to lack of education among the workers.Consequently,this leads to an ignorance of their rights under the existing labour legistrations and also the impotence of the albour unions as aprotecting body.

One can understand why profit minded managements may not want to spend extra to create a more conducive working environment but it is more difficult to understand why the government elected by the people do not bother to take a more active interest in this important area?Instead of trying to improve the welfare of the workers,various legislating barriers are raised to create a subservient workforce in order to attract foreign investments.These include the outlawing of strikes,picketing and other traditional methods of labour protest.

Both the employers and the government fail to understand that the work environment is of major importance to productivity.To be effective and productive,it is essential that the responsible parties view productivity as the road to success and profit.Unfortunately in most cases,workers perceive the opposite as described in Chapter III.They look upon those who are productive as "employers' man".Thus underlying all consideration of productive improvement is the human element.Private industry can do much to improve its workforce by initiating

programmes which encourage string cooperative labour-management relations.Because of the existing exploitative form of labour-management relationship in Malaysia,workers here are not commited to increasing the level of productivity.They view any increase in productivity as unrewarding and beneficial only to the management.

Workers often feel that the management are more concerned with profit margins at the cost of workers' welfare and are determined to achieve profit-maximization by pushing the workers to work under sometimes intolerable conditions.Thus we find that the workers (especially factory workers) are alienated and discontended. Workers' alienation and discontentment may take the form of absentism, work of poor quality and high rate of labour turnover.This trait is quite discernible at Factory A as explained in Chapter IV.

Management-employees relationship can create view where management is seen as being interested in achieving greater productivity whose benefits will be felt by all parties.This study do point the way to the advantage of humanizing the production organization.This would definitely have a impact on productivy.Workers will probably look an productivity gains as very desirable.Thus factory management must do their part by instituting changes that can create a working environment where productive change are viewed as desirable and beneficial.Thus superior performance and innovative performance of the workers should be rewarded.It is essential that the workers

view productivity as the road to success and reward.

Consequently the government's current efforts to promote in-house union in Malaysia to increase productivity should be re-examined.An in-house is essentially an organization which is not integrated to worker groups in other firms in the same industry.The proponents of the in-house union argues that it will help protect the interests of the workers and that they will also help develop more harmonious employer-employees relations and thus productivity will increase as everyone is imbued with a deep sense of belonging to the group which in turn looks after the welfare of all its members.

However as we have seen earlier,what is needed to increase productivity is the managements' commitment to create a working environment conducive to higher productivity by humanizing the organization as mentioned earlier.The introduction of in-house union will only have counter-productive effects.First,it would weaken an already weak labour movement since workers in the same industry will not have the power that comes from collective strength because they are organized on the basis of individual firms and factories.The union leaders in in-house union will have to negotiate wages on their own with their respective management and therefore they will become more dependent upon the goodwill of their bosses.This would enable the management to manipulate them to their advantage.Thus it would only further alienate the workers resulting in discontentment and dissatisfaction and subsequently

work of poor quality and low productivity.Therefore rather than alienating further the workers,the government should concentrate more efforts to protect the workers especially in terms of the safety and health of workers in industries.

As the nation moves toward greater degree of industrialization the inddiference of the government and workers to occupational health issues is a sad fact.Industrial workers,for instance, are being exposed to alarming levels of lead.The Factories and Machinery Department reported in 1976 that more than 17000 workers are exposed to lead in lead-acid battery manufacturing,automobile assembly plants printing processes,the pottery industry,wire work industry and printing and publishing plants.However there is every reason to doubt their accuracy.The figures that the government have are those reported by the employers.A more accurate figure could be five times the official estimate.Furthermore,reports on industrial disease are very sketchy.

Malaysia has a very outdated,general occupation health ordinance called the Factories and Machinery Act and three dozen other pieces of legislation which come under the Ministries of Labour and Manpower,Primary Industries,Transport,Work and Utilities and Trade and Industry to govern the various aspects of occupational health and safety in this country.The situation,therefore,is rather chaotic. The sheer mass of laws with numerous agencies and ministries to enforce them has reached the point of being counter-productive.

Furthermore the laws are instrinsically outdated,ineffective and unsatisfactorily.

Thus,practical steps must be taken by both the workers themselves and the government.The workers must improve their knowledge and organization so that there will be good work practice and safety procedures.At the same time policy makers must act too.The government should pass a comprehensive act that embody a combination of regulations and health and safety procedures.Thus concreate actions must be taken for better health among the workers would lead to better productivity as it could not be denied that health and human activities are inter-related.

Weaknesses and Recommendations

This study contains some flaws that might interfere with the validity of its findings and henceforth its applicability in other situations or places.Among the flaws or weaknesses are:

(i) the author's inexperience in conducting fieldwork. This result in the author's failure to interpret a situation correctly or analyse the relevant data accurately.This may affects the final conclusions or finding of this study.

(ii) a small sample size -- due to the difficulty in getting workers who are willing to be interviewed in the study,

the number of respondents interviewed represent only a small percentage of the total workforce of Factory A and Factory B ie. 15% and 10% respectively.

and (iii) the time spent for carrying out participant observation was too short.The author only spent about one-and-a-half month at Factory A while in Factory B only interviews were conducted.No participant observation was conducted there due to time constraint.Therefore the accuracy of the data might be affected.

Because of the weaknesses stated above,the validity and subsequently the generability of this study is limited.To overcome these problems the author would like to make the following reccomendations:-

(i) enlarge the sample size;

and (ii) time to be spend on fieldwork to be increased considerably.

With a larger sample and longer period of fieldwork,the author is of the opinion that the validity and generability of any future study can be improved.

Appendix I

Grade and Salary Scales of Factory A

Grade	Job Title	Min. Salary	Min. Increment	Max Salary
A	Female Packer Female Helper Office Girl Plastic Washer Female Sweeper?/ Gardener Silk Screen Printer Hot Stamper PVC Sealer	$180.00	$16.00	$340.00
B	Female Bakelite Polisher/Grinder Male Sweeper/ Gardener Apprentice Granulating Operator Office Boy Female Printer/ Sprayer	$190.00	$17.00	$360.00
C	Storehand Cum Lorry/Van Attendant Male Helper Colour Material Mixing Operative	$200.00	$19.00	$390.00

Grade	Job Title	Min Salary	Min Increment	Max Salary
C	Female Group Leader Male Painter Male Paper Cutter Silk Screen Block Maker/Moulder Car Driver Male Injection/ Blowing/Bakelite M.O. Male Injection/ Blowing/Section Carton/ Poly Bag -Dish Colour Mixer			
D	Lorry/Van Driver/Storehand Commercial A Artist II Draughtsman II Leading Hand (Asst. Supervisor Carpenter	$230.00	$22.00	$560.00
E	Commercial A Artist I Draughtsman I Carpenter I Foreman Asst. Store keeper	$260.00	$24.00	$620.00

Grade	Job Title	Min Salary	Min Increment	Max Salary
F	Senior Foreman	$280.00	$26.00	$670.00
G	Supervisor	$360.00	$30.00	$810.00

Appendix II

Grades and Salary Scales For Hourly/ Weekly/ Monthly Rated Workers (Floor Worker - Factory B)

Grade	Hourly	Weekly	Monthly	Production	Supply	Engineering Maintainance	Quality Control
I	138	60.72	263.58		Material Handler (Unpacker)	Cleaner/ Gardener	
	147	64.68	280.77				
	156	68.64	297.96				
	166	73.04	317.06				
	176	77.44	336.16				
	186	81.84	355.26				
	196	86.24	374.36				
	206	90.64	393.46				
	216	95.04	412.56				
	227	99.88	433.57				
	238	104.72	454.58				
	249	109.56	475.59				
	260	114.40	496.60				
	271	119.24	517.61				
	282	124.08	538.46				
	294	129.36	561.54				

Grade	Rates Hourly	Rates Weekly	Rates Monthly	Production	Supply	Engineering Maintainance	Quality Control
I	306	134.64	584.46				
	318	139.92	607.38				
II	145	663.80	276.95	Body Pre-Treatment Operative	Material Checker		
	154	67.76	294.14				
	163	71.72	311.33		Salvage Operator		
	173	76.12	340.43	Assembler (Trim, Final & Body			
	183	80.52	349.53				
	193	84.92	368.63				
	203	89.32	387.73				
	213	93.72	406.83				
	223	98.12	425.93				
	234	102.96	446.94				
	245	107.80	467.95				
	256	112.64	488.96				
	267	117.48	509.97				
	278	122.32	530.98				
	289	127.16	551.99				
	301	132.44	574.91				
	313	137.72	579.83				
III	325	142.00	620.75				
	338	148.72	645.58				
	351	154.44	670.41				
	364	160.16	695.24				

Grade	Rates			Production	Supply	Engineering Maintainance	Quality Control
	Hourly	Weekly	Monthly				
IV	159	69.96	303.69	Prime Sprayer	Senior Materi -al Checker	Shophand	
	169	74.36	322.79				
	179	78.76	341.89	Paint Mixer	Overh- head		
	190	83.60	362.90		Crane Operator		
	201	83.44	382.91	Reetfixer			
	212	92.23	404.92	E.D	Fork- lift		
	223	98.12	435.93	Operative	Driver		
	234	102.96	446.54	Phostem Sprayer			
	246	108.24	469.86				
	258	113.52	492.78	Underseal Sprayer			
	270	118.80	515.70				
	282	124.08	538.62	Wax Sprayer (box			
	294	129.36	561.54	section)			
	306	134.64	584.46				
	319	140.36	609.29				
	332	146.08	634.12				
	345	151.80	658.46				
	359	157.96	685.69				
	373	164.12	712.43				
	387	170.28	739.17				
V	168	73.92	320.88				
	178	78.33	339.98				
	188	82.72	359.09				
	199	87.56	380.09				
	210	92.40	401.10				

Grade	Rates			Production	Supply	Engineering Maintainance	Quality Control
	Hourly	Weekly	Monthly				
V	221	97.24	422.11				
	223	102.52	445.03				
	245	107.80	467.95				
	257	113.08	490.87				
	269	118.36	513.79				
	281	123.64	536.71				
	293	128.92	559.63				
	305	134.20	582.55				
	318	139.92	607.38				
	331	145.64	632.21				
	344	151.36	657.04				
	354	157.52	683.68				
	372	163.68	710.52				
	386	169.84	737.26				
VI	181	79.64	345.71	Sprayer Beater		Maintainance Operative	
	192	84.48	366.72				
	203	89.32	387.73				
	215	94.60	410.65				
	227	99.88	433.57				
	239	105.16	456.49				
	251	110.44	479.41				
	263	115.72	502.33				
	276	121.44	527.16				
	289	127.19	551.99				
	302	132.88	578.82				

Grade	Rates			Production	Supply	Engineering Maintainance	Quality Control
	Hourly	Weekly	Monthly				
VI	315	138.60	601.65				
	328	144.32	626.48				
	341	150.04	651.31				
	355	156.20	678.06				
	369	162.36	704.79				
	383	168.52	731.53				
	398	175.12	760.18				
	413	181.72	788.83				
	428	188.32	817.48				
VII	198	87.12	378.18			Plumber	Handy-man
	210	92.40	401.10			Fitter Fitter	
	222	97.68	424.02			Carpenter	
	235	103.40	448.85			Electric-oian	
	248	109.12	473.68				
	261	114.84	498.51				
	274	120.56	523.34				
	287	126.28	548.17				
	301	132.44	574.98				
	315	138.60	601.65				
	329	144.76	628.34				
	343	150.92	655.13				
	357	157.08	681.87				
	371	163.24	708.61				
	386	169.84	731.26				
	401	176.44	765.91				

Grade	Rates			Production	Supply	Engineering Maintainance	Quality Control
	Hourly	Weekly	Monthly				
VII	416	183.04	794.56				
	432	190.08	825.12				
	448	197.12	855.68				
	464	204.16	886.24				

ote :

. Leading Hand or Chargehand shall be paid an additional flat rate of $0.41 per basic hour as basic pay.

. For the purpose of computing wages, the working week will commence on Monday at 12.01 am and cease on the following Sunday at 12.00 midnight.

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